

NORTHERN VIRGINIA COMMUNITY COLLEGE

**REPORT ON REVIEW
FOR THE YEAR ENDED
JUNE 30, 2010**

APA

**Auditor of
Public Accounts**

COMMONWEALTH OF VIRGINIA



Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

March 2, 2011

Robert G. Templin, Jr., President
Northern Virginia Community College
4001 Wakefield Chapel Road
Annandale, VA 22003-3796

Dear Sir:

We have reviewed the accompanying Statement of Net Assets and the related Statement of Revenues, Expenses, and Changes in Net Assets of **Northern Virginia Community College** for the year ended June 30, 2010. A review includes primarily applying analytical procedures to financial data and making inquiries of college personnel. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our letter.

The accompanying statement was prepared for the purpose of presenting the financial statements of Northern Virginia Community College for reaccreditation and is not intended to be a complete presentation of Northern Virginia Community College's revenues and expenses.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Northern Virginia Community College is one of 23 community colleges that comprise the Virginia Community College System, which is a component unit of the Commonwealth of Virginia. Federal funds received by the Commonwealth of Virginia are audited at a statewide level by the Auditor of Public Accounts under the Statewide Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133. As a major program, the Auditor of Public Accounts audits Federal Student Financial Aid at

Virginia's state-supported colleges and universities generally on a triennial cyclic basis. The Auditor of Public Accounts audited Northern Virginia Community College's Federal Student Aid programs in fiscal years 2006 and 2009 and did not report any material compliance issues. Copies of our audits of the system wide financial statements of the Virginia Community College System along with copies of our Statewide Single Audits may be found on our website at www.apa.virginia.gov.

This letter is intended solely for the information and use of the accreditation review board and is not intended to be and should not be used by anyone other than this specified party. However, this letter is a matter of public record and its distribution is not limited.

Sincerely,

Walter J. Kucharski
Auditor of Public Accounts

Enclosure

Virginia Community College System
Northern Virginia Community College
Statement of Net Assets
As of June 30, 2010

		<u>Component Unit</u>
		Northern Virginia Community College Educational Foundation
	<u>Community College</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 63,536,211	\$ 182,701
Short term investments	2,784,720	6,300,207
Accounts receivable	7,319,900	-
Pledges receivable	-	389,102
Due from Commonwealth	1,031,231	-
Due from system office	25,661	-
Prepaid expenses	2,730,856	-
Inventories	29,118	-
Notes receivable	3,914,563	-
Total current assets	<u>81,372,260</u>	<u>6,872,010</u>
Non-current assets:		
Restricted cash and cash equivalents	(5,722,532)	-
Endowment cash and cash equivalents	157,431	14,427
Appropriation available	733,434	-
Endowment investments	-	2,754,284
Other long-term investments	-	2,867,386
Pledges receivable	-	144,735
Due from Commonwealth	7,888,742	-
Notes receivable	197,201	-
Non-depreciable capital assets, net	45,321,659	-
Depreciable capital assets, net	176,246,077	-
Total non-current assets	<u>224,822,012</u>	<u>5,780,832</u>
Total assets	<u>306,194,272</u>	<u>12,652,842</u>
LIABILITIES		
Current liabilities:		
Accounts and retainage payable	4,917,132	75,337
Accrued payroll expense	6,614,219	-
Deferred revenue	20,743,028	-
Long-term liabilities-current portion	4,535,986	-
Securities lending obligation	7,951,576	-
Due to Commonwealth	40,000	-
Deposits	616,838	-
Total current liabilities	<u>45,418,779</u>	<u>75,337</u>
Non-current liabilities:		
Long-term liabilities	13,708,048	-
Due to federal government	4,897,435	-
Total non-current liabilities	<u>18,605,483</u>	<u>-</u>
Total liabilities	<u>64,024,262</u>	<u>75,337</u>
NET ASSETS		
Invested in capital assets, net of related debt	210,031,369	-
Restricted for:		
Non-expendable	1,654	2,768,711
Expendable	1,655,985	3,155,226
Unrestricted	30,481,002	6,653,568
Total net assets	<u>242,170,010</u>	<u>12,577,505</u>

See Auditor of Public Accounts' Review Report

Virginia Community College System
Northern Virginia Community College
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2010

	Community College	Component Unit Northern Virginia Community College Educational Foundation
REVENUES		
Operating revenue:		
Tuition and fees (net of scholarship allowance of \$22,076,511)	111,998,211	-
Federal grants and contracts	3,028,308	-
State and local grants	1,095,551	-
Nongovernmental grants	1,247,789	431,000
Auxiliary enterprises (net of scholarship allowance of \$99,265)	6,446,307	-
Gifts and contributions	-	563,251
Endowment income	-	272,888
Other operating revenues	2,767,282	405,010
Total operating revenue	<u>126,583,448</u>	<u>1,672,149</u>
EXPENSES		
Operating expenses:		
Instruction	105,547,794	-
Public service	1,259,628	-
Academic support	25,014,463	307,029
Student services	18,463,164	-
Institutional support	27,799,352	1,051,301
Operation and maintenance	33,782,014	-
Scholarships and fellowships	16,154,673	-
Auxiliary enterprises	2,940,429	-
Fundraising	-	213,384
Other expenses	43,394	-
Total operating expenses	<u>231,004,911</u>	<u>1,571,714</u>
Operating income (loss)	<u>(104,421,463)</u>	<u>100,435</u>
Non-operating revenues/(expenses)		
State appropriations	67,926,240	-
Local appropriations	186,174	-
Grants and gifts	38,292,917	-
Investment income	1,009,639	1,147,562
Interest on capital asset related debt	(729,692)	-
Other nonoperating revenue (expense)	54,601	-
Net non-operating revenue	<u>106,739,879</u>	<u>1,147,562</u>
Income before other revenues, expenses, gains (losses)	2,318,416	1,247,997
Capital appropriations-state	15,829,896	-
Capital appropriations-local	2,068,965	-
Capital gifts, grants and contracts	395,460	-
Additions to permanent and term endowments	-	67,618
Increase/(decrease) in net assets	<u>20,612,737</u>	<u>1,315,615</u>
NET ASSETS		
Net assets beginning of year	<u>221,557,273</u>	<u>11,261,890</u>
Net assets end of year	<u>242,170,010</u>	<u>12,577,505</u>

See Auditor of Public Accounts' Review Report